

The City Council of the City of Seabrook met in regular session on Tuesday, March 1, 2016 at 7:00 p.m. in Seabrook City Hall, 1700 First Street, Seabrook, Texas to discuss, consider and if appropriate, take action on the items listed below.

THOSE PRESENT WERE:

GLENN R. ROYAL	MAYOR
ROBERT LLORENTE	COUNCIL PLACE NO. 1
MIKE GIANROSSO	COUNCIL PLACE NO. 2
GARY JOHNSON	MAYOR PRO TEM &
	COUNCIL PLACE NO. 3
MELISSA BOTKIN	COUNCIL PLACE NO. 4
GLENNA ADOVASIO	COUNCIL PLACE NO. 5
O.J. MILLER - Ex. Abs.	COUNCIL PLACE NO. 6
GAYLE COOK	CITY MANAGER
SEAN LANDIS	ASSISTANT CITY MANAGER
STEVE WEATHERED	CITY ATTORNEY
ROBIN HICKS	CITY SECRETARY

Mayor Royal called the meeting to order at 7:00 p.m. and led the audience in the United States and Texas Pledge of Allegiance.

1.0 PRESENTATIONS

1.1 Recognizing and honoring Councilmember Glenna Adovasio for her induction into the Missouri Sports Hall of Fame on March 23, 2016 as a player on the 1975-76 Licking High School Volleyball Team, which won the state's first state volleyball championship. (Royal)

The Mayor read the proclamation in honor of Councilmember Adovasio for her induction into the Missouri Sports Hall of Fame. Councilmember Adovasio reflected that she has not seen some of her teammates in many years. Her team did not lose a single match, and this recognition is a great honor.

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1.2 Presentation of Seabrook Volunteer Fire Department (SVFD) quarterly report. (Gutacker)

Fire Department President, John Kasbaum, stated that in looking at the first four months of the fiscal year, through the end of January, the Fire Department received 211 calls for service with 181 in Seabrook and 13 in El Lago. 211 calls is a 12% increase over the same period last year. Seabrook calls are up 17% and El Lago's calls are down 31%. As the Seabrook and El Lago populations grow, the calls for service will continue to increase. The Fire Department has changed its procedures to having volunteers respond in pickup trucks instead of heavy apparatus, which reduces costs. Response times continue to improve with about 4.5 minutes on first responder calls and just under 5 minutes for fire calls. Fire calls take a few more seconds because personnel have to go to the station to grab heavy apparatus. A total of 1217 volunteer hours have been documented. No issues have been raised during the FY2015 Budget audit, which should be completed by March 15, and the Fire Department finished the year with about \$8,000 over budget with the help of grants and donations. A goal every year is to set aside \$25,000 for the Honor Guard that helps families of fallen volunteers. This year the Honor Guard is fully funded. For FY2016, spending is on target. Lower fuel prices and transitioning the operation and maintenance costs for Station 10 to the City, which has gone remarkably well, have helped with expenses. All apparatus is in service with no significant issues. The final inspection on the new fire truck was completed on February 15 and 16. The truck is in Houston now and delivery should take place in March after final outfitting, and it will be in service by the end of March.

1.3 Presentation and bi-annual status report on the Chesapeake Bay Senior Living Community Planned Unit Development (PUD), as provided by Section 4.10.10, "Development Schedule," Appendix A, Seabrook Code of Ordinances. (Landis/Fredricks)

The representative from WMF Investments stated that as of today the site is cleared completely and is ready for construction to begin. The first 500 feet of concrete fence is constructed, and plans have been submitted for approval for the first phase of construction. Construction completion is anticipated to be the second quarter of 2017. The Villas will be built ahead of the larger building, and temporary certificates of occupancy will be issued as items are completed. In the next 60 to 90 days, a decision will be made about when pre-leasing will begin, in anticipation of occupancy during the fourth quarter of 2017.

76 2.0 **PUBLIC COMMENTS AND ANNOUNCEMENTS**

77 Robby Saban, 3811 Hickory View Court, Friendswood, Texas, director for the Lucky
78 Trail Marathon, thanked Council for their service to the community and for support of the
79 marathon. 2016 is the 13th year for the Lucky Trail Marathon in Seabrook. Planning for
80 this year's event is going as expected, and even better. Currently there are 17 different
81 states represented in the participant pool, not including Texas, and there are people
82 coming from Canada and one person from England. This year a Friday event was added,
83 and if it works out, there will be a 3 day challenge added, which might help people stay
84 for a 3 day weekend. Currently there are 285 people registered for the challenge, and the
85 Saturday half marathon is closed. 30 people from City are participating this year. An
86 added touch would be Council coming out to talk to people, and hopefully residents will
87 come out and cheer the runners on, and have fun with it.
88

89 2.1 **Mayor, City Council and/or members of the city staff may make announcements**
90 **about city/community events. (Council)**

91 Councilor Giangrosso announced several upcoming events, including a Storm Surge
92 Protection discussion at San Jacinto College Maritime Building that the Mayor
93 encourages as many people as possible to attend because one of the protection options is
94 elevating Highway 146, which is not in TXDOT's plans; the Lucky Trail Marathon; the
95 Easter Egg Hunt; and the Trash Bash. City offices will be closed on March 25 for Good
96 Friday. The Harris County Mayors and Councils Association will meet this month in
97 Webster in a joint meeting with the Galveston County Mayors and Councils Association.

98 3.0 **SPECIFIC PUBLIC HEARING(S)**
99

100 3.1 **Proposed Ordinance 2016-06, "Issuance of Conditional Use Permit to allow a Hotel**
101 **without a full service restaurant". (Landis)**

102 **AN ORDINANCE AMENDING THE CODE OF THE CITY OF SEABROOK,**
103 **APPENDIX A, COMPREHENSIVE ZONING, ARTICLE 12, "TEMPORARY**
104 **AND NONTEXT CHANGES," SECTION 12.03, "CONDITIONAL USE PERMITS**
105 **GRANTED", BY ADDING A NEW PARAGRAPH (22) GRANTING A**
106 **CONDITIONAL USE PERMIT FOR A "HOTEL (WITHOUT FULL SERVICE**
107 **RESTAURANT)" TO BE LOCATED AT 2710 NASA PARKWAY, WITHIN THE**
108 **C-2 (COMMERCIAL - MEDIUM) ZONING DISTRICT AND ESTABLISHING**
109 **ANY APPLICABLE CONDITIONS FOR THE OPERATION OF THE BUSINESS**
110 **IN ACCORDANCE WITH LAW; PROVIDING A PENALTY IN AN AMOUNT**
111 **NOT TO EXCEED \$2,000.00 FOR VIOLATION OF ANY PROVISIONS HEREOF**
112 **BY INCLUSION INTO THE CODE; REPEALING ALL ORDINANCES OR**
113 **PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH;**
114 **AND PROVIDING FOR SEVERABILITY.**

115 The Mayor opened the public hearing.

116 Applicant, Mike Gaertner, Architect, stated that he has been in this area for 36 years and
117 has accumulated experience working in hotels. Last time he gave a presentation on the
118 physical aspects of the Holiday Inn Express. Tonight's presentation will address the
119 financial aspects of the hotel's performance. To refresh Council's memory, Mr. Gaertner
120 presented the same slide show on the design of the hotel, as was presented at the last
121 Council meeting on this conditional use permit request.

122 Mr. Gaertner reiterated that the owners, the Patels, have decades of experience in the
123 hotel industry with numerous hotels in the area. The Patels are currently, successfully,
124 operating 446 rooms. Good design and good business is what makes a hotel successful,
125 and the Holiday Inn brand does not make mistakes about where their hotels are located.
126 Holiday Inn has 4500 hotel projects all over the world with a great loyalty program where
127 people go to get their rewards. When Holiday Inn brand says to update, franchise owners
128 must update, or lose the franchise. When Holiday Inn Express was previously in
129 Seabrook, it and the Hampton Inn were the highest earning hotels.

130 Every hotel property in Seabrook has increased revenue on an annual basis since 2012.
131 The estimate over the next five years is an increase in total room sales to \$3.3 million,
132 conservatively. This hotel will bring 35-40 jobs to Seabrook, will enhance the City's
133 image, and people will spend money on goods and services in the area. With the Hotel
134 Occupancy Tax (HOT) rate at 7%, the City will see over \$1 million in increase in HOT
135 taxes. The City is currently getting \$2200 per year in property tax for this undeveloped
136 parcel and will get about \$45,000 in property tax per year after construction. The
137 Holiday Inns in Kemah have seen increased revenue of about \$780,000 in a 2 year
138 period, and Webster's Holiday Inns are also showing increased revenues over the same
139 period. The owners and franchise have vetted the location and are confident that the
140 property will succeed, and will not draw income away from existing hotel properties.
141 Right now, Seabrook is losing revenue with loyalty customers staying in Kemah,
142 Webster, and LaPorte. Holiday Inn has approved moving forward with this project and
143 the owners are ready to move forward. The franchise agreement is for 20 years.

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Several people spoke on behalf of the franchise owner, Bob Patel, to state that they've known Mr. Patel for several years through his business dealings in Galveston, that he is a successful business owner, a knowledgeable hotelier, committed, hands on, and active in the community. All speakers on behalf of Mr. Patel highly recommended that Council approve the project to bring Holiday Inn Express to Seabrook. The speakers also explained that more hotels in Galveston bring competition to help encourage owners to keep their properties updated and to drive higher room rates. The speakers included representatives from Texas First Bank, the City of Galveston, Moody National Bank, and Hometown Bank.

Mr. Premani and son spoke on behalf of the investment group that owns the Quality Inn and stated that Quality Inn has been fairly successful, even competing with 4 other hotels in Seabrook and 10-15 hotels in the surrounding area. However, the Average Daily Room Rate has dropped from \$98 to \$79. Quality Inn is competitive with 42% occupancy, but there are additional costs currently with upgrading/renovating the building. Other hotels might not survive the current circumstances of low room rates and low occupancy, but Quality Inn will do whatever it takes to survive. Employees are loyal and almost everyone originally hired is still working at Quality Inn. In the hotel industry in general there is a 12.9% decrease in ADR with the decline in the oil and gas industry. Corporate travel is anticipated to go down. The Quality Inn wants to be able to prosper and grow, but adding another hotel will not help any of the hotels in Seabrook meet that goal.

Bill Fredrich with WMF investments stated that the Holiday Inn is a great brand, but asked, with the cruise lines going away, where is future business going to come from for the hotels in Seabrook? The cruise lines were the reason for a 15% increase in rates, and occupancy of 67-68%. Another hotel will take occupancy from existing hotels. Highway 146 expansion will have an impact. Every hotel can survive, but no one is in the business to lose money.

Mr. Bob Patel and son, along with Mr. Gaertner stated that the market is tourism, NASA, Ellington Air Force Base, and the industrial/refinery industry, not oil and gas. Experienced developers are still building in Houston. The average revenue per room is over \$100. Every hotel has its own clients, loyalty program. It's the same with all industries in that the concept of clustering makes business better. Dirty rooms and bad service is what drives customers away. Quality is the key. A hotel being run properly makes a big difference. Good hotels go out and find business. They do not depend on drive by business. A hotel will be successful if the property stays in compliance. The Holiday Inn Express has at least 6 months of design before it is ready to go to bid, making it 2017/2018 at best before opening. The construction activity will require a lot of rooms at existing hotels. League City sold out for 6 months as the I-45 project was

being constructed. The construction workers will need a place to stay. This property will make Seabrook a better place for people to come and visit. Everyone in the community can be proud of this project.

Having no other speakers come forward, the Mayor closed the public hearing.

4.0 CONSENT AGENDA

4.1 Approve a special event permit for the annual Seabrook Lucky Trail Marathon on Friday, March 18, Saturday, March 19, and Sunday, March 20, 2016. The event will begin on Friday at 6:30 p.m. and on Saturday and Sunday at 7:00 a.m. at Meador Park and continue along the Seabrook trails to Pine Gully Park and back to Meador Park. The applicant is also requesting permits for temporary signs and alcohol in the park. (Applicant)

4.2 Approve a parade permit for the Bayside Area Little League Opening Day Parade on Saturday, April 2, 2016, starting at 8:00 a.m., from Miramar Shopping Center, down El Mar, then right on Meyer to the Bayside Baseball Complex. All required documentation has been submitted and approved. A waiver of the fees is being requested. (Hicks)

4.3 Approve an excused absence for Glenna Adovasio for the February 02, 2016 regular City Council meeting. (Hicks)

4.4 Approve an excused absence for Melissa Botkin and Gary Johnson for the February 16, 2016 regular City Council meeting. (Hicks)

4.5 Approve the minutes of the January 19, 2016 regular City Council meeting. (Hicks)

4.6 Approve the minutes of the February 02, 2016 regular City Council meeting. (Hicks)

4.7 Approve the minutes of the February 16, 2016 regular City Council meeting. (Hicks)

END OF CONSENT AGENDA

Motion was made by Councilmember Giangrosso and seconded by Councilmember Adovasio

To approve the Consent Agenda as presented.

MOTION CARRIED BY UNANIMOUS CONSENT

5.0 NEW BUSINESS

5.1 Consider approval on first reading of Proposed Ordinance 2016-06, "Issuance of Conditional Use Permit to allow a Hotel without a full service restaurant". (Landis)

AN ORDINANCE AMENDING THE CODE OF THE CITY OF SEABROOK, APPENDIX A, COMPREHENSIVE ZONING, ARTICLE 12, "TEMPORARY AND NONTEXT CHANGES," SECTION 12.03, "CONDITIONAL USE PERMITS GRANTED", BY ADDING A NEW PARAGRAPH (22) GRANTING A CONDITIONAL USE PERMIT FOR A "HOTEL (WITHOUT FULL SERVICE RESTAURANT)" TO BE LOCATED AT 2710 NASA PARKWAY, WITHIN THE C-2 (COMMERCIAL - MEDIUM) ZONING DISTRICT AND ESTABLISHING ANY APPLICABLE CONDITIONS FOR THE OPERATION OF THE BUSINESS IN ACCORDANCE WITH LAW; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$2,000.00 FOR VIOLATION OF ANY PROVISIONS HEREOF BY INCLUSION INTO THE CODE; REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HEREWITH; AND PROVIDING FOR SEVERABILITY.

Motion was made by Councilmember Llorente and seconded by Councilmember Adovasio

To approval on first reading proposed Ordinance 2016-06, "Issuance of Conditional Use Permit to allow a Hotel without a full service restaurant".

Discussion ensued regarding approval of the conditional use permit for reasons having to do with competition, the economy, better and more efficient hotels, bringing business to the community, upgrading the look of the City, brand standards, feasibility studies, daily management of the hotel, passing inspections, no interest in a full service hotel at this time, no opposition from other hotel owners other than the Quality Inn or from bed and breakfast owners, free markets, Planning and Zoning commission approval, and the location being unique so that no other business might thrive there. Regarding denial of the permit, discussion ensued regarding limiting the number of hotels that are not full service, so that a full service hotel can be brought to Seabrook, big hotels will bring business and allow for smaller hotels to succeed, occupancies are very low now, rates will decrease, and the downturn seen when Hwy 146 is under construction.

Councilmember Llorente called for the question.

258 MOTION CARRIED BY A 4-2 VOTE AS FOLLOWS:

259 Ayes - Mayor Royal, Councilmember Llorente, Councilmember Botkin and
260 Councilmember Adovasio

261 Nays – Councilmember Giangrosso and Councilmember Johnson

262 **5.2 Consider approval on first reading of Ordinance 2016-10, "Altering Speed Limits**
263 **Along SH 146 Frontage Red Bluff/Seabrook Circle." (Cook)**

264 **AN ORDINANCE AMENDING THE CODE OF THE CITY OF SEABROOK,**
265 **CHAPTER 90 "TRAFFIC AND VEHICLES" ARTICLE II, "SPEED**
266 **RESTRICTIONS", SECTION 90-31 "ENUMERATION OF LIMITS" BY**
267 **ALTERING THE PRIMA FACIE SPEED LIMITS ESTABLISHED FOR**
268 **VEHICLES UNDER THE PROVISIONS OF SECTION 545.356, TEXAS**
269 **TRANSPORTATION CODE, UON BASIS OF AN ENGINEERING AND**
270 **TRAFFIC INVESTIGATION, WITHIN THE CORPORATE LIMITS OF THE**
271 **CITY OF SEABROOK, ALONG SH 146, FRONTAGE ROAD NORTH AND**
272 **SOUTH OF RED BLUFF ROAD, AND SEABROOK CIRCLE, AS SET OUT IN**
273 **THIS ORDINANCE; AND PROVIDING FOR A PENALTY OF A FINE NOT TO**
274 **EXCEED TWO HUNDRED DOLLARS (\$200.00) FOR VIOLATION OF ANY**
275 **PROVISIONS HEREOF BY INCLUSION INTO THE CODE; REPEALING ALL**
276 **ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN**
277 **CONFLICT HERewith; AND PROVIDING FOR SEVERABILITY.**

278 Gayle Cook, City Manager, explained that TXDOT sent a letter stating that a traffic study
279 was conducted that spanned 85% of the City limits. Both the Public Works and the
280 Public Safety Departments have reviewed the ordinance and have no major concerns.
281 The ordinance restates all current speed limits, strikes through the limits, and replaces the
282 deleted limits with the TXDOT recommendations. These changes will be only on
283 Highway 146 from the City limits on the Kemah side to the county line.

284 Motion was made by Councilmember Llorente and seconded by Councilmember
285 Giangrosso

286 To approve on first reading Ordinance 2016-10, "Altering Speed Limits Along SH 146
287 Frontage Red Bluff/Seabrook Circle."

288 MOTION CARRIED BY UNANIMOUS CONSENT

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5.3 Consider approval on first and final reading of Ordinance 2016-11, "Ordinance Updating Hotel Occupancy Tax Delinquent Tax Interest Rate." (Lab)

AN ORDINANCE AMENDING CHAPTER 85 OF THE CODE OF ORDINANCES OF THE CITY OF SEABROOK, ENTITLED "TAXATION AND FINANCE, " ARTICLE II, ENTITLED "HOTEL OCCUPANCY TAX," SECTION 85-32 "FAILURE TO PAY; REMEDIES," BY AMENDING SUCH SECTION TO CLARIFY THE INTEREST RATE OF 15%; PROVIDING A PENALTY IN AN AMOUNT NOT TO EXCEED \$500 FOR VIOLATION OF ANY PROVISION HEREOF, TOGETHER WITH RELATED PENALTIES AND REMEDIES AS SPECIFIED HEREIN, BY INCLUSION INTO THE CODE OF ORDINANCES; PROVIDING FOR NOTICE, REPEALING ALL ORDINANCES OR PARTS OF ORDINANCES INCONSISTENT OR IN CONFLICT HERewith; AND PROVIDING FOR SEVERABILITY.

Ms. Cook explained this ordinance is just for housekeeping, as the City is not currently exercising the statutory maximum interest rate on delinquent hotel occupancy taxes.

Motion was made by Councilmember Giangrosso and seconded by Councilmember Botkin

To approve on first and final reading Ordinance 2016-11, "Ordinance Updating Hotel Occupancy Tax Delinquent Tax Interest Rate."

MOTION CARRIED BY UNANIMOUS CONSENT

5.4 Consideration and approval of the purchase of a vehicle from Silsbee Ford, in the total amount of \$21,535.00 to replace an older model vehicle in the Public Works fleet, through a cooperative purchase agreement with HGAC. This is an unbudgeted item. (Cook)

Ms. Cook explained this request is for one of several vehicles with pending issues, and this particular replacement cannot wait any longer. This vehicle from Silsbee Ford will replace the mosquito truck, which is completely down. Mosquito spraying can occur up to 7 days a week during the summer. The Public Works Department usually runs lean and has excess funds left over at the end of the year, so that there will more than likely be no change to the budget; however, the approval of this request will allow funding for an unbudgeted item, should it be needed. A clean up ordinance will come back to Council at the end of the year, if needed. A fleet replacement program has been discussed that staff is still working on to figure out the budget because the numbers for the program are high. However, the mosquito truck is needed now. The requested vehicle is a 2000 year model

Chevrolet, which was about to go off the lot and staff didn't want to lose it. The dealer is offering a great buyback and will pick up the older vehicle.

Motion was made by Councilmember Giangrosso and seconded by Councilmember Llorente

To approve the purchase of a vehicle from Silsbee Ford, in the total amount of \$21,535.00 to replace an older model vehicle in the Public Works fleet, through a cooperative purchase agreement with HGAC.

MOTION CARRIED BY UNANIMOUS CONSENT

6.0 ROUTINE BUSINESS

6.1 Approve the Action Items Checklist which is attached and made a part of this agenda. (Council)

Highway 146 – Ms. Cook stated staff had a great meeting today with TXDOT, and the Mayor was present along with the Director of Public Works, the Assistant Director of Public Works, the Economic Development Director and the City's Engineer. TXDOT's attorney let staff know that Union Pacific has reached out to TXDOT for a follow up meeting to take place within the next couple of weeks. TXDOT is not quite at 30% on the total design; however, there will be no changes to Seabrook. Galveston County is requesting a change that does not affect Seabrook. With regard to acquisitions, TXDOT indicated what is already known, which is that all the letters have been mailed to owners. May 1 is TXDOT's target date to have all appraisals completed. TXDOT anticipates that we will start to see activity this summer, with demolitions occurring first. TXDOT indicated that they do not like to do lease backs, but they will look at those options. TXDOT expressed that they understand the toll on Seabrook versus other communities.

Strategic Plan – City Council will have a special meeting on April 29 to discuss the Strategic Plan. The Comprehensive Master Plan will be completed in about 4-6 weeks, and will go back to the Planning and Zoning Commission, the Economic Development Corporation and the City Council for final review and approval.

Project updates – Ms. Cook stated everything is moving along as planned. The splash pad parking is in, the water has been tested, and everything looks good. There will be fence at the splash pad, and a gate for people to access. The Fiber Optics project is progressing with no issues. Staff met with the owners of the Town Center on Friday, and they are moving forward and working with an engineer and an architect on a smaller grocery anchor. The owners estimate they will have something on paper within the next 2 months. The rest of the trees have been cleared at the Town Center because the owners wanted a line of sight all the way through.

365 Tabled item – There is no update at this time. Council requested that this item be tabled
366 until completion of the Comprehensive Master Plan.

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368 Motion was made by Councilmember Llorente and seconded by Councilmember
369 Adovasio

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371 To approve the Action Items Checklist.

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373 MOTION CARRIED BY UNANIMOUS CONSENT

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375 **6.2 Establish future meeting dates and agenda items. (Council)**

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377 Council is on its normal schedule, with a special strategic planning workshop scheduled
378 for April 29.

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380 Upon motion duly made and seconded, Mayor Royal adjourned the meeting at 8:55 p.m.

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382 Approved this 15th day of March 2016.

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392 Robin Hicks, TRMC
393 City Secretary

Glenn Royal
Mayor

